



**OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

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CONNECTICUT PENSION FUND PROCEEDS WITH SHAREHOLDER RESOLUTION URGING BOARD DIVERSITY AT EMC CORPORATION

State Treasurer Says Martin Luther King Jr.'s Dream of Equality Remains Elusive in EMC's Corporate Boardroom

(Hartford, CT) -- Connecticut State Treasurer Denise L. Nappier today criticized Massachusetts-based EMC Corporation for their insistence on maintaining an all-white, all-male board of directors and opposition to permitting shareholders to even consider a resolution that would urge the company to increase efforts to include women and minorities among its directors.

As the nation prepares for the observance of the Martin Luther King, Jr. national holiday, Nappier said "the dream of equality remains elusive in this corporate boardroom. Incredibly, EMC has turned its back on women and minorities, and steadfastly denied them entrance. This disturbing intransigence reminds us that even in a new century when technology and innovation dominate, the struggle for equal opportunity must continue."

Treasurer Nappier, principal fiduciary of Connecticut's \$20 billion state pension fund, is the nation's only African-American woman statewide elected official, and is the first women elected Treasurer in Connecticut history. EMC Corporation and its subsidiaries worldwide design, manufacture, market and support a wide range of hardware and software products, and provide services for the storage, management, protection and sharing of electronic information.

The shareholder resolution filed by the Connecticut Retirement Plans and Trust Funds (CRPTF) asks the EMC Board to make a greater commitment to locate qualified women or minorities as candidates for nomination to the board and provide a report to shareholders describing its efforts towards this goal. EMC's board currently consists of seven white men, with the most recent appointment being made on December 18, 2001, after concerns about the lack of board diversity had been raised.

In a recent filing with the Securities and Exchange Commission, seeking to prevent Connecticut's shareholder resolution urging board diversity from being considered by shareholders at the company's annual meeting in May, EMC stated: "the Directors do have diverse backgrounds. According to the company's proxy statement... the Directors range in age from 43 to 71 and previously held or continue to hold positions at various businesses across a number of industries."

EMC argues in its SEC filing that implementing the shareholder resolution advocated by Connecticut "may cause the Company to violate Title VII by causing the Company Board to make a greater commitment to locating women and minority candidates. For example, the proposal may cause the

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Company to pass over an available male candidate with outstanding experience in the Company's industry to select a less qualified female or minority candidate."

Nappier said "for a company – especially one on the cutting edge of technology -- to say in the 21st century that considering women and minorities as candidates for their board of directors could violate our nation's anti-discrimination law turns equal opportunity and diversity on its head. It is as if they are living in the middle ages."

Nappier said the shareholder resolution does not state or imply that individuals without proper qualifications be considered. "Such an allegation," Nappier said, "is both inaccurate and absurd."

The shareholder resolution is consistent with the Connecticut pension fund's proxy voting policies, which have been endorsed by the State's Investment Advisory Council. The resolution is also supported by a coalition of more than 20 investors, with 2.7 million shares of EMC stock. The CRPTF owns in excess of one million shares. Nappier noted that the only woman ever to serve on the EMC board was the wife of the then-chairman of the company.

"We would like to sit down with EMC and have them substantively address this issue. They have steadfastly refused. Unfortunately, to date they are more interested in subterfuge than substance," Nappier said. "We are an active, responsible institutional investor concerned about corporate governance policies and processes where we own shares, and about the return on our investment. It is our strong belief that corporate governance issues are factors in improving a company's long-term performance."

Other shareholder resolutions proposed for the upcoming proxy season that EMC is attempting to block from its proxy statement include resolutions advocating independence of board members and in-person annual meetings. The SEC is expected to rule shortly on whether the three resolutions can be considered by shareholders.

Nappier said that businesses across the nation have learned first-hand that there is tremendous value in a diverse leadership, both in the boardroom and in the corporate leadership team. That value, Nappier asserts, is helpful on the corporate bottom line. "Regrettably, EMC is not alone," the Treasurer said, "however, they are out-of-step with the vast majority of their peers."

The Investor Responsibility Research Center has reported that among the S&P 1500 companies, the proportion of female directors continues to rise – from 8.9% in 1998 to 9.8% in 2001 and the number of minority directorships rose from 7.0% to 8.1% during the same period.

The Connecticut pension fund has also filed a similar shareholder resolution urging board diversity with Rhode Island-based American Power Conversion Corporation, which develops, manufactures, and markets power protection and management solutions for computer, and electronic applications.

Treasurer Nappier is also participating in the development of a program in Connecticut to advance women and minority representation on corporate boards. The Treasurer is working with *Reflecting Connecticut-Reflejando a Connecticut*, which is comprised of the Connecticut Permanent Commission on the Status of Women, the Latino and Puerto Rican Affairs Commission, the Connecticut African-American Affairs Commission, DemocracyWorks and The National Conference for Community and Justice, as well as representatives from the business community to develop a series of educational seminars that will provide minority and women with the information they need to consider serving on Connecticut and national corporate boards. National organizations experienced in training women and minorities for board membership will join with the Connecticut businesses and commissions to provide the training seminars. The goal is to have the graduates of such program be considered by Connecticut and national companies for future openings on corporate boards.

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